

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

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In the Matter of )  
Federal-State Joint Board )  
Universal Service )

**CC Docket No.: 96-45**

**FURTHER COMMENT ON SPECIFIC QUESTIONS IN UNIVERSAL SERVICE  
NOTICE OF PROPOSED RULEMAKING**

**COMMENTS FROM:**

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The Illinois State Library is filing these comments on July 31, 1996 in response to the FCC's request for further comment on specific questions relating to the universal service notice of proposed rulemaking (CC Docket 96-45).

**General Comments:**

The Illinois State Library supports the comments being submitted this week by the American Library Association (ALA). A draft of the American Library Association's comments have been reviewed by Illinois State Library staff, and ALA's recommendations on affordable access for libraries are endorsed by us.

The Illinois State Library coordinates the Illinois Library & Information Network (ILLINET). During the past twenty-five years, the network has been distinguished by ongoing cooperation and is a nationally recognized model of how all types of libraries (academic, special, school, and public) can work together to expand access to information for the state's citizens.

Despite the growing sophistication of Illinois libraries in use of new technologies in accessing information, telecommunications costs are a barrier for publicly-funded libraries in low-income areas and rural areas. Through a special grant program, the Illinois State Library has provided computers and modems to the 3,000 libraries in the Illinois Library & Information Network. However, the telecommunications costs incurred in accessing remote databases are a major barrier to many of these libraries.

Here is some information on telecommunications costs facing one type of library -- public libraries -- in Illinois: There are 637 public libraries in Illinois, and 219 of these libraries have operating budgets of under \$50,000 per year. Furthermore, 124 of those libraries have operating budgets of under \$25,000. Many of the libraries would incur monthly telephone bills of \$500 or more for a 56kbs telecommunications circuit. An annual cost of \$6,000 per year for the circuit is too burdensome for the modest library budget. As pointed out in the *New York Times* on July 3, 1996, in an article prompted by universal service/affordable rates comments filed with the F.C.C., the entire annual budget of the Henry C. Adams Memorial Library in Prophetstown, Ill. for instance, is \$25,000. A data circuit to connect this small public library with the River Bend Library System would cost \$10,200 per year, but the annual telecommunications cost is much too high for the library's budget. (Article title: "Librarians' Challenge: Offering the Internet").

Likewise, toll charges for dial access have caused a number of libraries to stop using their computers and modems after the first monthly telephone bill was received. Despite the wealth of electronic information available, the prohibitive costs of telecommunications keep the library staff from utilizing the available technology to meet the immediate needs for information by their clientele.

The Telecommunications Act of 1996 recognizes the importance of libraries, schools, and rural health care providers in providing access to information. We know that many citizens do not and will not have access to advanced technology in the home or workplace. Libraries, as the

universal access point to information for everyone, must have affordable telecommunications to meet the sophisticated and relentless needs of library patrons for timely information.

**Specific Comments:**

**6. Should the services or functionalities eligible for discounts be specifically limited and identified, or should the discount apply to all available services?**

Summary: The discount should apply to all available services.

Any and all telecommunications services should be made available to libraries and schools at a discount. If specific technology is cited in the rulemaking, advances in electronic communications will require that the burdensome process of rulemaking be repeated regularly in order to address the affordable requirements of the Telecommunications Act of 1996. Technology is changing rapidly, and libraries and schools will be at a disadvantage, which was not the legislative intent, if all telecommunications services are not covered generally.

**9. How can universal support for schools, libraries, and health care providers be structured to promote competition?**

The universal service plan recommended by the American Library Association supports a competitive market environment because it enables libraries and schools to act as consumers. Additionally, the telecommunications provider receives reimbursement from the universal service fund for income that it loses when billing schools and libraries below the competitive market price.

**12. Should discounts be directed to the states in the form of block grants?**

The discounts should be made available to libraries and schools at the time the services are provided. The libraries and schools need the rate relief immediately and need to know what to expect price-wise for budgeting purposes. Block grants administered by the states would be cumbersome; a point-of-service discount is more appropriate and timely.

Furthermore, discounts are specified in the legislation, not credits.

**15. What is the least administratively burdensome requirement that could be used to ensure that requests for supported telecommunications services are bona fide requests within the intent of section 254(h)?:**

The eligibility requirements for libraries are clearly stated in federal legislation. If a service provider has any question about the eligibility of a particular library, the state library administrative agency would be able to provide verification on whether or not the library is eligible.

**16. What should be the base service prices to which discounts for schools and libraries are applied: (a) total service long-run incremental cost; (b) short-run incremental costs; (c) best commercially-available rate; (d) tariffed rate; (e) rate established through a competitively-bid contract in which schools and libraries participate; (f) lowest of some group of the above; or (g) some other benchmark? How could the best commercially-available rate be ascertained in light of the fact that many such rates may be established pursuant to confidential contractual arrangements?:**

The Illinois State Library supports setting the base, discounted price as the lower of (1) the best commercial price offered; or (2) the total service long-run incremental cost (TSLRIC).

**19. Should an additional discount be given to schools and libraries located in rural, insular, high-cost and economically disadvantaged areas? What percentage of telecommunications services (e.g. Internet services) used by schools and libraries in such areas are or require toll calls?:**

Yes, additional discounts should be given to both rural and economically disadvantaged areas with an additional discount provided to schools and libraries that are located in areas that are both rural and economically disadvantaged. Rural and low income areas will have less competition by telecommunications service providers. Despite the pro-competition intent of the Telecommunications Act of 1996, we all realize that competition will be most intense in high density, high income areas. Additional discounts to rural and poorer areas would recognize the special needs of libraries and schools in providing access to telecommunications services. People have similar information needs, regardless where they live, and the rulemaking for affordable rates should reflect the need to create a level playing field for all libraries and schools.

The state of Illinois is divided into 14 LATAs, also known as MSAs (Market Service Areas); the quantity is the highest number of any state. The state is also divided into twelve regional library systems, and the boundaries of the LATAs and library systems are far from coterminous. To dial into the library system database, most libraries in rural Illinois (which comprises over 7/8 of the land mass) must make a toll call. Most small communities do not have a local Internet service provider, and are making a toll call to access the Internet. We are estimating that over 400,000 dial access calls are made to the Internet and library databases annually by libraries throughout Illinois, and over 50% of these calls are toll calls. Although most of the library systems provide access to the Internet through the library system database connection, toll charges are still necessary for most libraries in rural Illinois.

A rural librarian in northwestern Illinois eloquently stated her telecommunications concerns in a letter sent to Chairman Reed Hundt in early May:

"Then there is the matter of what is considered local and long distance. I moved here from an urban area. The population was something around 200,000, all of whom I could call as a local call and with a base charge of \$5.00 - \$7.00 per month lower than my current base charge. The real difference comes with the ability to call 200,000 people as opposed to maybe 5,000 people, which I think is stretching the number I can reach with a local charge. . . . Meanwhile it is very important that the FCC listen to those

of us in the "boonies". We may not have great numbers, but if equal access to the Internet is ever to be achieved, even if it is just in schools and public libraries, there have to be changes in the way rates are determined." (letter by Arlene Johnson, Library Director, Chadwick Public Library District, Chadwick, Illinois).

**24. Are there other cost estimates available that can serve as the basis for establishing a funding estimate for the discount provisions applicable to schools and libraries and to rural health care providers?**

The input being submitted to the Federal Communications Commission by the American Library Association (ALA) is supported. ALA's recommendation, which includes the Total Service Long Run Incremental Cost (TSLRIC) and additional income in low-income and rural areas, address the dilemma that many libraries face by virtue of their geographic location and below-average financial support for library service.

Thank you for your attention to these comments.

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